

## Message Text

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ACTION COME-00

INFO OCT-01 AF-08 ISO-00 EB-07 GSA-01 INT-05 AID-05

CIAE-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 STR-04

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R 011511Z OCT 76

FM AMEMBASSY FREETOWN

TO SECSTATE WASHDC 4004

LIMITED OFFICIAL USE FREETOWN 3108

E.O. 11652: NA

TAGS: EMIN

SUBJ: IMPACT OF FOREIGN INVESTMENT POLICIES ON BAUXITE/ALUMINA  
INDAUTRY

REF: STATE 220706

1. INVESTMENT CLIMATE FOR BAUXITE PRODUCTION IN SIERRA LEONE APPEARS GENERALLY FAVORABLE. SWISS COMPANY (ALUSUISSE) IN PROCESS OF EXPANDING MINING OPERATION. GOSL HAS POLICY OF ACQUIRING 51 PERCENT OWNERSHIP AT ANY MINING VENTURES IN SIERRA LEONE, BUT HASN'T YET APPLIED THIS POLICY TO THE COUNTRY'S ONE BAUXITE PRODUCER. IN ANY NEW CENTURES, GOSL IS LIKELY TO ASK FOR PARTICIPATION.

2. 1975 EXPORTS OF BAUXITE FROM SIERRA LEONE TOTALED 635,646 METRIC TONS. PRICE PER TON WAS RECORDED AT LE 7.50 (US DOLLARS 6.52 PER TON AT PRESENT EXCHANGE RATE). THIS RELATIVELY LOW PRICE ALLOWS COMPANY TO MINIMIZE INCOME AND OTHER TAXES. GOVERNMENT MAY REQUEST THAT HIGHER PRICE PER TON BE USED BEGINNING IN 1977.

3. PRESENT GHERNMENT REGULATIONS DO NOT APPEAR TO SERIOUSLY  
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IMPINGE ON FOREIGN INVEFTVENT IN BAUXITE/ALUMINA. THE GENERAL

ECONOMIC SITUATION IN SIERRA LEONE REMAINS DEPARESSED, WITH  
SECRE BALANCE OF PAYMENTS AND GOVERNMENT DEFICIT PROBLEMS.  
GOVERNMENT INEFFICIENCY AND CORRUPTION CAN HAMPER LAUNCHING  
OF NEW PROJECTS. POSSIBLE DEVELOPMENT OF HYDRO-ELECTRIC  
POTENTIAL IN EARLY 1980S SHOULD INCREASE ATTRACTIVENESS OF  
ALUMINA INVESTMENT.  
SAMUELS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, INVESTMENT CLIMATE, BAUXITE, MINING INDUSTRY  
**Control Number:** n/a  
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**Draft Date:** 01 OCT 1976  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** coburnhl  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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